

## MEMORANDUM TO THE OSDBU COUNCIL

DATE: September 25, 2003

FROM: Arthuretta H. Martin, Chair Legislative Committee

SUBJECT: September 2003 Legislative Report

The following is the status of proposed legislation before congress affecting small businesses doing business with the Federal Government in the 108<sup>th</sup> Congress. They include bills that directly name small businesses as well as bills that affect Federal Procurement Policy. This report is submitted for information purposes only.

### **H.R.1837**

**Title:** To improve the Federal acquisition workforce and the process for the acquisition of services by the Federal Government, and for other purposes.

**Sponsor:** Rep Davis, Tom [VA-11] (introduced 4/29/2003)      **Cosponsors:** 1

**Latest Major Action:** 9/3/2003 House preparation for floor. Status: Placed on the Union Calendar, Calendar No. 140.

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**H.RES.368**

**Title:** Honoring the Small Business Administration on the occasion of its 50th anniversary.

**Sponsor:** Rep Manzullo, Donald A. [IL-16] (introduced 9/16/2003)      **Cosponsors:** 2

**Latest Major Action:** 9/16/2003 Passed/agreed to in House. Status: On motion to suspend the rules and agree to the resolution Agreed to by voice vote.

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**Whereas the Nation's economy is built on and draws its strength from the creativity and entrepreneurship of its people; (Engrossed as Agreed to or Passed by House)**

HRES 368 EH

**H. Res. 368**

*In the House of Representatives, U.S.,  
September 16, 2003.*

Whereas the Nation's economy is built on and draws its strength from the creativity and entrepreneurship of its people;

Whereas the Nation's 25 million small businesses employ more than half of all private sector employees, pay 44.5 percent of the total United States private payroll, and generate 60 to 80 percent of all net new jobs annually;

Whereas the men and women who own and operate the Nation's small businesses make a vital contribution to the Nation's prosperity through their ongoing work to create new technologies, products, and services;

Whereas small businesses produce 13 to 14 times more patents per employee than large patenting firms, and these patents are twice as likely as large firm patents to be among the 1 percent most cited;

Whereas the Small Business Administration was officially established in 1953 and for the past 50 years has played a vital role in ensuring that the door to the American Dream is truly open to all entrepreneurs;

Whereas the mission and high calling of the Small Business Administration is to champion the interests of the Nation's entrepreneurs for the benefit of all Americans;

Whereas the Small Business Administration is marking its 50th anniversary by celebrating the accomplishments of small-business owners across the country throughout the year; and

Whereas the President has designated the week beginning on Monday, September 15, 2003, as `National Small Business Week': Now, therefore, be it

*Resolved*, That the House of Representatives--

- (1) supports the goals and ideals of National Small Business Week, and the events surrounding the 50th anniversary of the founding of the Small Business Administration;
- (2) commends the Administrator and the employees of the Small Business Administration for their work on behalf of the Nation's small businesses; and
- (3) reaffirms that the Small Business Administration, through its loan, technical assistance, and entrepreneurial development programs, plays an important role in assisting small businesses to ensure a brighter, stronger future for this Nation.

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### **H.R.2658**

**Title:** Making appropriations for the Department of Defense for the fiscal year ending September 30, 2004, and for other purposes.

**Sponsor:** Rep Lewis, Jerry [CA-41] (introduced 7/2/2003)      **Cosponsors:** (none)

**Related Bills:** [S.1382](#)

**Latest Major Action:** 9/17/2003 Conference committee actions. Status: Conferees agreed to file conference report. bba

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### **SUMMARY AS OF:**

7/17/2003--Passed Senate, amended. (There are 2 [other summaries](#))

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Department of Defense Appropriations Act, 2004 - **Title I: Military Personnel** - Appropriates funds for FY 2004 for active-duty and reserve personnel in the Army, Navy, Marine Corps, and Air Force and for National Guard personnel in the Army and Air Force.

**Title II: Operation and Maintenance** - Appropriates funds for FY 2004 for operation and maintenance (O&M) of the Army, Navy, Marine Corps, and Air Force, the defense agencies, the reserve components, and the Army and Air National Guards. Appropriates funds for: (1) overseas contingency operations; (2) the United States Court of Appeals for the Armed Forces; (3) environmental restoration for the Army, Navy, and Air Force and defense-wide; (4) environmental restoration at formerly used defense sites; (5) overseas humanitarian, disaster, and civic aid; and (6) former Soviet Union threat reduction.

**Title III: Procurement** - Appropriates funds for FY 2004 for procurement by the armed forces and reserve components of aircraft, missiles, weapons, tracked combat vehicles, ammunition, and shipbuilding and conversion and for other procurement. Appropriates funds for: (1) defense-wide procurement; (2) National Guard and reserve equipment; and (3) certain procurements under the Defense Production Act of 1950.

**Title IV: Research, Development, Test and Evaluation** - Appropriates funds for FY 2004 for research, development, test and evaluation (RDT&E) by the armed forces and defense agencies. Appropriates funds for the Director of Operational Test and Evaluation.

**Title V: Revolving and Management Funds** - Appropriates funds for FY 2004 for the Defense Working Capital funds and programs under the National Defense Sealift Fund.

**Title VI: Other Department of Defense Programs** - Appropriates funds for: (1) Department of Defense (DOD) medical and health care programs; (2) the destruction of lethal chemical agents and munitions; (3) drug interdiction and counter-drug activities, defense; and (4) the Office of the Inspector General.

**Title VII: Related Agencies** - Appropriates funds for: (1) the Central Intelligence Agency Retirement and Disability System Fund; (2) the Intelligence Community Management Account; (3) payment to the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund; and (4) national security scholarships, fellowships, and grants (using funds derived from the National Security Education Trust Fund).

**Title VIII: General Provisions** - Sets forth authorized, restricted, and prohibited uses of appropriated funds.

(Sec. 8008) Authorizes procurement funds to be used for multiyear procurement contracts for: (1) C-130 aircraft; (2) F/A-18E and F engines; (3) F/A-18 aircraft; (4) E-2C aircraft; and (5) a Virginia Class submarine.

(Sec. 8010) Prohibits, during FY 2004, the management by end strengths of DOD civilian personnel.

(Sec. 8018) Authorizes the Secretary of Defense (Secretary) to establish, with host governments of NATO-member countries, an account for the deposit of residual amounts negotiated in the return of U.S. military installations to such countries.

(Sec. 8027) Authorizes DOD to incur obligations of up to \$350 million for DOD military personnel compensation, military construction projects, and supplies and services in anticipation of receipts of contributions from the Government of Kuwait.

(Sec. 8029) Prohibits the use of funds from this Act to establish a new DOD federally funded research and development center (FFRDC). Limits the Federal compensation to be paid to FFRDC members or consultants. Prohibits the use of FY 2004 FFRDC funds for new building construction, cost-sharing payments for projects funded by Government grants, absorption of cost overruns, or certain charitable contributions. Limits the staff years of technical effort that may be funded for FFRDCs from FY 2004 funds. Reduces by \$50 million the total amount appropriated in this Act for FFRDCs.

(Sec. 8030) Provides Buy American requirements with respect to the DOD procurement of carbon, alloy, or armor steel plating.

(Sec. 8033) Requires the Secretary to report to Congress on the amount of DOD purchases from foreign entities in FY 2003.

(Sec. 8036) Directs the President to include within each fiscal year budget the amounts requested for administrative activities of DOD, the military departments, and the defense agencies.

(Sec. 8039) Authorizes the Secretary of the Air Force to convey to Indian tribes located in North Dakota, South Dakota, Montana, and Minnesota relocatable military housing units currently located at Grand Forks and Minot Air Force Bases that are excess to the needs of the Air Force. Requires the Operation Walking Shield program to resolve any housing unit conflicts arising after such conveyance.

(Sec. 8044) Earmarks funds appropriated under this Act for the mitigation of adverse environmental impacts on Indian lands resulting from DOD activities.

(Sec. 8045) Prohibits the use of funds: (1) by a DOD entity without compliance with the Buy American Act; (2) to establish additional field operating agencies of DOD elements, except for those funded within the National Foreign Intelligence Program; (3) for assistance to the Democratic People's Republic of Korea, unless specifically appropriated for such purpose; (4) to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 2003, level; or (5) to transport chemical munitions to the Johnston Atoll for storage or demilitarization (with an exception and an authorized wartime waiver by the President).

(Sec. 8048) Authorizes the Secretary of the Navy to lease real and personal property at the Adak Naval Air Facility, Alaska.

(Sec. 8049) Rescinds specified funds from various accounts under prior defense appropriations Acts.

(Sec. 8055) Directs the Secretary to certify to Congress that the total renovation costs for wedges 2 through 5 of the Pentagon Reservation, cumulatively, will not exceed four times the total renovation cost of wedge 1. Authorizes an annual cost inflation adjustment. Excludes certain costs under such limitation, including costs necessary as a result of the terrorist attack on the Pentagon. Requires certification reports until all renovation is completed.

(Sec. 8057) Prohibits the transfer to any other department or agency, except as specifically provided in an appropriations law, of funds available to DOD or the Central Intelligence Agency for drug interdiction and counter-drug activities.

(Sec. 8065) Prohibits current fiscal year DOD funds from being obligated or expended to transfer to another nation or international organization defense articles or services for use in any United Nations peacekeeping or peace enforcement operation, or for any other

international peacekeeping, peace enforcement, or humanitarian assistance operation, unless specified congressional committees are given 15 days' advance notice.

(Sec. 8066) Authorizes the Secretary, to the extent authorized by law, to issue loan guarantees in support of U.S. defense exports not otherwise provided for, with a contingent liability limit of \$15 billion. Requires quarterly reports to specified congressional committees.

(Sec. 8075) Prohibits the use of appropriated funds for approving the license or sale of the F-22 advanced tactical fighter to any foreign government.

(Sec. 8076) Authorizes the Secretary, on a case-by-case basis, to waive limitations on the procurement of defense items from a foreign country if: (1) the Secretary determines that such limitations would invalidate cooperative or reciprocal trade agreements for the procurement of defense items; and (2) such country does not discriminate against the same or similar defense items procured in the United States for that country. Provides exceptions.

(Sec. 8077) Prohibits the use of appropriated funds to support a unit of the security forces of a foreign country if credible information exists that such unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken. Requires the monitoring of such information. Authorizes the Secretary to waive such prohibition under extraordinary circumstances (requiring a report to the defense committees on any such waiver).

(Sec. 8078) Authorizes the Secretary to carry out a program to distribute surplus dental equipment to Indian health service facilities and federally-qualified health centers.

(Sec. 8082) Prohibits the obligation or expenditure of appropriated funds for either the Office of the Under Secretary of Defense for Intelligence or for clandestine military activities until after submission of a report to Congress as required in the classified annex to the Emergency Wartime Supplemental Appropriations Act, 2003.

(Sec. 8083) Provides for the crediting during the current fiscal year of certain refunds attributable to the use of Government travel or purchase cards or refunds for travel arranged by a Government-contracted travel management center.

(Sec. 8084) Prohibits appropriated funds from being used for a mission critical or mission essential financial management information technology system that is not registered with the DOD Chief Information Officer. Prohibits such a system from receiving a Milestone A or B approval, or full rate production approval, until the Chief Information Officer certifies that the system is being developed in accordance with the Clinger-Cohen Act of 1996.

(Sec. 8086) Prohibits appropriated funds from being used to transfer to any nongovernmental entity specified armor-piercing ammunition, except to an entity performing demilitarization services for DOD.

(Sec. 8087) Authorizes the Chief of the National Guard Bureau to waive payment for the lease of non-excess DOD personal property to certain youth, social, or fraternal nonprofit organizations.

(Sec. 8094) Appropriates funds for transfer to the Coast Guard for mission essential equipment for HC-130J aircraft.

(Sec. 8095) Makes specified Navy shipbuilding and conversion funds available to fund prior-year shipbuilding cost increases, allocating such funds among specified naval accounts.

(Sec. 8096) Authorizes the Secretary of the Navy to settle any and all admiralty claims arising out of the collision involving the U.S.S. GREENEVILLE and the EHIME MARU.

(Sec. 8099) Appropriates funds to provide assistance to public schools that have unusually high concentrations of special needs military dependents enrolled, with special consideration with respect to overseas assignments.

(Sec. 8101) Earmarks specified appropriated funds to maintain an attrition reserve force of 18 B-52 aircraft. Directs the Secretary of the Air Force to maintain a total B-52 force of 94, including the 18 reserve, during FY 2004.

(Sec. 8102) Requires the Army to ensure that budgetary and programmatic plans will provide for no fewer than six Stryker Brigade Combat Teams to be fielded between 2003 and 2008.

(Sec. 8106) Appropriates funds to DOD for grants for: (1) Armed Forces Emergency Services; (2) the Fort Benning Infantry Museum; (3) the National Guard Youth Foundation; (4) renovation of the Broadway Armory, Chicago, Illinois; and (5) the National D-Day Museum.

(Sec. 8109) Requires each annual budget for FY 2005 and thereafter to include separate justification documents for the costs of U.S. military forces' participation in contingency operations for the military personnel accounts, the Overseas Contingency Operations Transfer Account, the O&M accounts, and the procurement accounts.

(Sec. 8110) Prohibits appropriated funds from being used for RDT&E, procurement, or deployment of nuclear armed interceptors of a missile defense system.

(Sec. 8112) Makes DOD Buy American requirements inapplicable to the procurement of any fish, shellfish, or seafood product during the current fiscal year.

(Sec. 8115) Earmarks certain O&M funds for the Regional Defense Counter-terrorism Fellowship Program.

(Sec. 8117) Designates the National D-Day Museum in New Orleans, Louisiana, as America's National World War II Museum.

(Sec. 8118) Removes a provision in the Consolidated Appropriations Resolution, 2003 which prohibits new Native American veteran housing loans in excess of \$5 million from being made in FY 2003.

(Sec. 8119) Rescinds \$3.157 billion of the funds made available for the Iraq Freedom Fund under the Emergency Wartime Supplemental Appropriations Act, 2003.

(Sec. 8120) Prohibits the use of any DOD funds on research and development on the Terrorism Information Awareness program. Prohibits the deployment or implementation of such program until the Secretary: (1) notifies Congress of its development; and (2) has received specific authorization by law from Congress for such deployment or implementation. Provides deployment or implementation exceptions. Expresses the sense of Congress that: (1) such program should not be used to develop technologies for conducting intelligence or law enforcement activities against U.S. persons without appropriate consultation with Congress or clear adherence to the protection of civil liberties and privacy; and (2) the primary purpose of the Defense Advanced Research Projects Agency is to support lawful activities of DOD and national security programs.

(Sec. 8121) Reduces by \$125 million the total amount appropriated in this Act, to limit excessive growth in the procurement of advisory and assistance services.

(Sec. 8128) Authorizes the use of appropriated funds for the establishment and support of 12 additional Weapons of Mass Destruction Civil Support Teams.

(Sec. 8129) Makes specified RDT&E funds available for: (1) the development of integrated systems capabilities for bioterrorism response exercises; and (2) Marine Corps communications systems for critical infrastructure protection.

(Sec. 8142) Expresses the sense of the Senate: (1) recognizing the critical role played by the National Guard and Reserve in protecting our national security; and (2) affirming its support for providing such personnel access to TRICARE (a DOD managed-care health plan).

(Sec. 8143) Directs the Secretary to: (1) review offset arrangements and memoranda of understanding entered between the United States and a foreign country for the transfer of technology between such countries or the bilateral purchases of defense equipment or supplies; (2) determine the effects of such arrangements on the effectiveness of defense Buy American requirements, the defense industrial base, and contractual losses to U.S. firms; and (3) report review results to Congress. Requires the Secretary to make recommendations to the President concerning the use of such arrangements or

memoranda to strengthen Buy American requirements and authorizes the Secretary to modify such arrangements or memoranda to achieve such goal.

Expresses the sense of the Senate that: (1) any request for funds for a fiscal year for an ongoing overseas military operation, including operations in Afghanistan and Iraq, should be included in the President's annual budget submitted to Congress; and (2) such funds should be provided in appropriations Acts for that fiscal year.

(Sec. 8148) Directs the Comptroller General (CG) to study and report to specified congressional committees on the delivery of mail to U.S. troops in the Middle East.

(Sec. 8154) Prohibits the obligation or expenditure of appropriated funds to privatize or transfer to another Federal department or agency any prison guard function or position at the U.S. Disciplinary Barracks at Fort Leavenworth, Kansas, until 30 days after the Secretary of the Army submits to specified congressional committees a plan for the implementation of such privatization or transfer.

(Sec. 8157) Prohibits the obligation or expenditure of appropriated funds to decommission a Naval or Marine Corps Reserve aviation squadron until submission of a report from the CG to the appropriations committees on Navy and Marine Corps requirements for tactical aviation, including mission and recapitalization requirements. Requires such report to include an appropriate aviation force structure and personnel requirements for the next ten-year period.

(Sec. 8160) Directs the Secretary of the Air Force to study the mission of the 932nd Airlift Wing at Scott Air Force Base, Illinois, to determine the appropriateness of substituting a mixed mission of transporting patients, passengers, and cargo that would increase Air Force airlift capability.

(Sec. 8165) Expresses the sense of the Senate that: (1) the Secretary should develop and deploy a nuclear debris collection and analysis capability sufficient to enable characterization (to determine origin) of any nuclear device that might be exploded in the United States; (2) such capability should incorporate airborne debris collectors to collect and transport such debris to an appropriate laboratory in a timely fashion; and (3) such capability should be compatible with U.S. collection and analysis systems used to characterize overseas nuclear explosions. Requires a report from the Secretary to specified congressional committees on the feasibility of developing and deploying such a capability.

(Sec. 8168) Directs the Secretary to examine and report to specified congressional committees on the implementation of a system for tracking safety-critical parts, including airplane parts, so that parts found defective can be identified. Requires a related report from the CG on the oversight of prime contractors and subcontractors with respect to the testing and quality assurance of such parts.

(Sec. 8169) Requires a report from the Secretary to Congress on contracts for reconstruction and other services in Iraq that are funded in whole or part with DOD funds.

(Sec. 8171) Requires a report from the Secretary to the appropriations, defense, and foreign relations committees, and updates every 120 days, on the establishment of police and military forces in all 18 provinces in Iraq.

(Sec. 8172) Extends through FY 2004 the requirement that the Secretary evaluate an individual's creditworthiness before issuing a Government purchase or travel charge card.

**Title IX: Settlement of Claims for Slave Labor for Japanese Companies During World War II** - Directs the Secretary to pay \$10,000 to each surviving veteran, civilian employee, or contractor employee who: (1) served in or with U.S. combat forces during World War II; (2) was captured and held as a prisoner of war by Japan during such service; and (3) was required by one or more Japanese companies to perform forced or slave labor during such War. Requires the Secretary to identify and locate such individuals. Provides funding for a two-year period beginning on October 1, 2003.

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